

Duty Death Benefits

Preliminary Report

LEOFF Plan 2 Retirement Board

June 16, 2010

Issue Description

- The Surviving spouses of a member killed in course of employment who are receiving Workers' Compensation death benefits cannot continue to receive the monthly benefit after remarriage.

Current Situation

- Varying benefits provided through Workers' Compensation to survivors
 - Monthly surviving spouse/dependent benefits
 - Lump-sum benefit
 - Burial benefit
 - Non-duty death related survivor pension

- LEOFF Plan 2 provides
 - Monthly pension benefit
 - Lump-sum benefit
 - Health care

Policy Approaches

1. Coordinate pension and Workers' Compensation benefit upon remarriage
2. Replacement of Workers' Compensation duty-related death benefits for survivors

Option 1

- Establish a coordinated L2 duty death pension benefit with Workers' Compensation Survivor Pension
 - LNI Pays survivor benefit until remarriage
 - LEOFF Plan 2 pays for equivalent monthly survivor benefit starting after remarriage

Example 1 – Benefit Coordination

■ Monthly Benefit Before Remarriage

Pension	\$1,500
<u>L&I</u>	<u>3,500</u>
TOTAL	\$5,000

■ Monthly Benefit After Remarriage

Pension	\$5,000
<u>L&I</u>	<u>0</u>
TOTAL	\$5,000

Option 2

- Replace Workers' Compensation survivor benefits with equivalent L2 pension benefits
 - Payment of survivor pension for duty-related death
 - First survivor benefit
 - Dependent benefits
 - Burial benefit
- Payment of WC Pension Option 2&3 [for death not related to injury or illness]

Example 2 – Benefit Replacement

■ Monthly Benefit Before Remarriage

Pension	\$5,000
<u>L&I</u>	<u>0</u>
TOTAL	\$5,000

■ Monthly Benefit After Remarriage

Pension	\$5,000
<u>L&I</u>	<u>0</u>
TOTAL	\$5,000

Prohibition on Remarriage

Questions?